BANNON'S GRAND PRIX: AN UNLIKELY RETURN TO THE STYLE OF TOM PLAYFORD

By MICHAEL STUTCHBURY

Nov 18, 1987 – 11.00am

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On the surface, Adelaide's Grand Prix spectacular symbolises the rejuvenation of a region which a decade ago appeared to have sunk into deep-seated economic stagnation.

By the end of the 1970s, South Australia was in danger of becoming the"peasant State". In the latter half of the 1980s, many of the underlying structural problems remain. At 9.2 per cent, South Australia's fulltime jobless rate competes with Queensland as the nation's worst.

And yet, Labor's John Bannon maintains the highest approval rating (73 per cent) of any State Premier. The Grand Prix, the Adelaide Railway Station casino, the submarine project, the Roxby Downs mining venture, and a new but lightly-used "international" airport have changed the popular mood from despair and pessimism to a surprising sense of confidence.

At one level, the bread and circuses of the Grand Prix is a million kilometres away from anything thought up by Tom Playford, South Australia's Liberal and Country League Premier from 1938 to 1965. But the political opportunism of Bannon's high profile involvement in attracting the unlikely mega-event is classic Playfordism - as are other aspects of the current economic development strategy.

"John Bannon has got a soft spot for Playford in the way he went about things", is a sentiment echoed by several of those who have worked closely with him.

Just as Playford transformed the local economy from an agricultural to a manufacturing base, suggests Lynn Arnold, South Australia's capable State Development and Technology Minister, Bannon will oversee its metamorphosis from the protected secondary industry of the 1950s and 1960s to the new era of sophisticated computer-aided manufacturing and high technology products.

The local legend is that Playford virtually single-handedly engineered the industrialisation of South Australia. Using the lever of mining rights, the wily apple grower from the Adelaide Hills forced BHP to fragment its steel capacity by building a steel works at Whyalla.

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He took much of the credit for the war-time decentralisation of

Commonwealth munitions factories to the "security" of South Australia: a bit of good luck which proved to be a key attribute amid the industrial supply constraints immediately following the war.

With the unwavering support of the Adelaide Advertiser, Playford established the reputation of using every trick in the book to opportunistically attract capital from NSW, Victoria and from overseas.

"You don't pick and choose," he recalled in retirement. "You get the industries you can get. They all provide employment ... You don't talk about'we won't have this or we won't have that'."

The crucial underpinning of Playford's opportunistic "salesman's approach"was heavy public provision of infrastructural support for industry. The South Australian Housing Trust, for example, was an outstanding bureaucratic entrepreneur. Not only did it provide new industry with cheap land and cheap factories but it built cheap housing to attract a skilled workforce from the eastern States and Britain.

The truth is that Playford was a cunning pragmatist who rode his luck well. He came to office in the upswing from the Great Depression and left just before the post-war golden age of capitalism showed signs of waning.

Contrary to the conventional wisdom, South Australia was well placed to take advantage of this period. Even before Playford, it was the third most industrialised State behind Victoria and NSW. And its post-war industrialisation was not much greater than the national average.

By the time Don Dunstan first became Premier in 1966, the Playford legend had fostered unrealistic expectations of what State Governments could achieve. According to Dunstan, industrial development policy

"should be a scientific one - not catch-as-catch-can, not looking for someone who had whispered that he might be interested in coming to South Australia ... The policy is not to seek witlessly for any and every industry."

When a crank rumour spread fear that Adelaide would be engulfed by a tidal wave, Dunstan stood defiantly on the beach to calm the populace. But he was helpless in the face of the mid-1970s oil shocks, stagflation and the rationalisation of manufacturing. Don Dunstan was as unlucky as Tom Playford was lucky.

John Bannon now epitomises the lessons of the Playford and Dunstan eras. Back in vogue are the back-to-basics Playford emphases on tripartite consensus, union peace (the local Trades and Labor Council has a loud political bark but a weak industrial bite), and lower labour costs.

Playford outraged the Adelaide establishment when he nationalised the local private electricity company because of its reluctance to exploit the Leigh Creek brown coal deposits. Under the shadow of Roxby Downs, Bannon's Labor Party swallowed its opposition to uranium mining.

The submarine contract is classic Playfordism in its dependence on Federal Government procurement, particularly for defence where it has sought to exploit its good industrial relations record and manufacturing skills base. South Australia now hopes to develop a new industrial momentum around defence-related companies such as Thorn-EMI, British Aerospace, Eglo and Kockums.

Through the Federal Government's Defence Research Centre, the defence-link also has been crucial to the early success of Adelaide's Technology Park, which is incubating a "competitive strength" in micro-electronics and computer sciences. Dunstan dreamed of making South Australia the hi-tech centre of Australia. But he blamed the Adelaide business "gerontocracy" for the failure of his Industrial Research Institute.

Compared to Dunstan, Bannon is taking a more intelligent approach to the Playford tradition of public infrastructure support for private industry. Whereas Playford's Housing Trust built the satellite city of Elizabeth to attract a skilled immigrant workforce, the Bannon Government moved (before the new Federal-level Dawkins reforms) to link higher education priorities closer to industry needs in areas such as computer skills.

In GMH's original but now abandoned Woodville plant, the new Centre for Manufacturing seeks to provide information infrastructure on marketing, management and new computer-aided technologies for the small-scale local manufacturing sector. Playford did a similar thing in his time: using government workshops to ensure that local industry could exploit the latest metal cutting technology.

But the lesson from the Dunstan era is that the influence of State Governments is often minor in the face of national or international economic forces. As well, the infrastructure development of "competitive strengths" (a concept also heralded by the Victorian Government) at best will bear fruit only in the medium term.

In the meantime, the local economy has to cope with the loss of head offices to the eastern States, the big question mark over the local car industry, and the bleak outlook for Whyalla's steel industry. It is this tension that is producing the dilemma within the local development strategists of whether to promote the long, hard restructuring of the local industry base or to concentrate more on the opportunistic instant bang and glamour of the big imported project.

One fantastic hope on the horizon is a Japanese proposal to establish in Australia a "multi-function polis", a sort of hi-tech satellite city. If the Japanese are serious, Adelaide and Brisbane would be the prime contenders. The Adelaide scenario would see the polis centred on the Flinders University and extend a population centre of up to 250,000 people through the Southern Vales wine district. Adelaide wouldn't need a Grand Prix.

Economists at the University of Adelaide have estimated the net tangible benefits of the city's first Grand Prix in 1985 Grand Prix to be equal to around 10 per cent of one day's State Gross Domestic Product.

As one of them, Alastair Fischer, notes, the main benefits from hallmark events such as the Grand Prix are psychic: they make the locals feel good and they are a cheap way for governments to purchase popularity.

One of the main spillovers of the 1985 Grand Prix was the "hoon" effect: a 34 per cent increase in hospitalised casualties from road accidents in the five weeks around the event.

Last year the hoon effect was not so apparent. But the orgy of beer consumption and drunken behaviour accompanying this year's Grand Prix coincided with the remarkable decision to award the prime advertising sponsorship to Foster's.

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